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Security Council

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30 April 2004

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Report by the Secretary-General concerning the credentials of the alternate representative of Brazil on the Security Council

Pursuant to rule 15 of the provisional rules of procedure of the Security Council, the Secretary-General wishes to report that he has received a letter dated 28 April 2004 from the Permanent Representative of Brazil to the United Nations stating that Mr. Martín García Moritán has been appointed alternate representative of Brazil on the Security Council.

In the opinion of the Secretary-General, that letter constitutes adequate provisional credentials.

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Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1244 (1999) of 10 June 1999, by which the Council decided to establish the United Nations Interim Administration Mission in Kosovo (UNMIK) and requested the Secretary-General to report at regular intervals on the implementation of the mandate. It covers the activities of UNMIK and developments in Kosovo, Serbia and Montenegro, from 1 January to 31 March 2004. Matters related to the recent violence which were reported to the Security Council at its meeting of 13 April 2004 (see S/PV.4942) are referred to as needed.

II. Security situation

2. The defining event during the reporting period was the widespread violence that occurred in Kosovo in March, the responses to and events surrounding that violence, and its implications. Those events represent a serious setback to the stabilization and normalization of Kosovo. The onslaught led by Kosovo Albanian extremists against the Serb, Roma and Ashkali communities of Kosovo was an organized, widespread, and targeted campaign. Attacks on Kosovo Serbs occurred throughout Kosovo and involved primarily established communities that had remained in Kosovo in 1999, as well as a small number of sites of recent returns. Properties were demolished, public facilities such as schools and health clinics were destroyed, communities were surrounded and threatened and residents were forced to leave their homes. The inhabitants of entire villages had to be evacuated and, following their departure, many homes were burned to the ground. In other cases, there were attempts to illegally occupy and, in some cases, allocate abandoned property.

3. A total of 19 persons died in the violence, of whom 11 were Kosovo Albanians and 8 were Kosovo Serbs, and 954 persons were injured in the course of the clashes. In addition, 65 international police officers, 58 Kosovo Police Service (KPS) officers and 61 personnel of the Kosovo Force (KFOR) suffered injuries. Approximately 730 houses belonging to minorities, mostly Kosovo Serbs, were damaged or destroyed. In attacks on the cultural and religious heritage of Kosovo, 36 Orthodox churches, monasteries and other religious and cultural sites were

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damaged or destroyed. The places of worship that were attacked date as far back as the fourteenth century. Two of them are listed by UNESCO as major sites of universal significance and a third is listed as a site of regional significance. In addition, UNMIK and KFOR property was damaged or destroyed.

4. Subsequently, sporadic attacks, including attacks against the international security and police presence, continued to occur. In the worst of these, on 23 March, a Ghanaian UNMIK police officer and a Kosovo Albanian KPS officer were killed when a group of Kosovo Albanians fired on their UNMIK police patrol vehicle. Seven individuals have since been detained by UNMIK police in connection with that incident.

5. The violence in March appears to have been sparked by events in the days preceding the clashes. The first incident was the shooting of a Kosovo Serb youth in the village of Caglavica (Pristina region) on 15 March, which led to a blockade by Kosovo Serbs of the main Pristina-Skopje road just outside Pristina. The second incident, on 16 March, was the death of at least two Kosovo Albanian children by drowning in the River Ibar near the town of Zubin Potok (Mitrovica region). The circumstances of that incident have yet to be established. The cumulative effect of those incidents, made worse by inflammatory and biased media reporting, were demonstrations, which, although apparently spontaneous at the outset, were quickly taken over by organized elements with an interest in driving the remaining Kosovo Serbs from Kosovo and threatening the international presence there.

6. Prior to those two incidents, on 16 March, widespread demonstrations by Kosovo Albanians involving a total of approximately 18,000 demonstrators were held to protest against arrests by UNMIK police of former members of the former Kosovo Liberation Army (KLA) and the arrest of four members of the Kosovo Protection Corps (KPC) in connection with the murder of Kosovo Albanians. The demonstrations were organized by the associations of KLA war veterans and war invalids and supported by two small Kosovo Albanian political parties. Although the demonstrations were generally peaceful, some violent incidents were recorded in Prizren town, where a group of demonstrators stoned UNMIK regional headquarters facilities and injured one UNMIK police officer.

7. There were also a number of serious security incidents earlier in the reporting period. On 21 February, a device planted in the vehicle of the Kosovo Minister of Environment and Spatial Planning exploded and injured the Minister and three others, and on 12 March a grenade exploded at the residence of the President of Kosovo, Ibrahim Rugova, causing damage to the building but no injuries. There were also a number of bomb attacks or threats made against various targets in Pristina town early in March, including, on 6 March, the placing of an improvised explosive device near the UNMIK headquarters building.

8. My Special Representative, Harri Holkeri, took political and operational measures in an effort to stem the spread of the violence, which began in earnest on 17 March. Throughout the crisis he remained in contact with Kosovo Albanian and Kosovo Serb leaders, asking them, as a first step, to call for an immediate cessation of the violence. Consultations with regional leaders as well as with UNMIK partners and with Member States' liaison offices on the ground were held throughout the crisis. My Special Representative also made a number of public statements, some of them jointly with the Provisional Institutions of Self-Government, calling for calm. UNMIK and KFOR established a senior crisis team to coordinate policy and

security actions in response to the crisis. UNMIK and KFOR quickly launched efforts to apprehend those involved in the violent actions. My Special Representative has also established a crisis management review body to evaluate and assess the Mission's response to the crisis.

9. The situation in Kosovo remains tense, and further violence is possible. In view of this, KFOR and UNMIK police are maintaining a high level of visibility and presence, particularly in minority areas. KFOR has reinforced its presence by deploying approximately 2,000 additional troops on a limited engagement and by temporarily re-establishing some checkpoints, primarily in Kosovo Serb areas, for security purposes. The additional protection tasks at the checkpoints, and troop levels, will be assessed on a regular basis. The majority of the KFOR reinforcements have since left.

10. UNMIK police are actively investigating all incidents related to the violent events. So far, investigations have resulted in over 260 arrests in connection with the violence. A further 400 arrests have been made for violations of curfew, which had been imposed in some areas by KFOR and UNMIK police to prevent further violence. International prosecutors are currently working on more than 45 cases and approximately 120 other cases are being handled by the local judiciary. Given the scale of the violence, however, it is clear that additional investigative capacity is still needed to allow law enforcement authorities to effectively pursue and complete the investigations in a timely manner.

11. The initial response by the leadership of the Provisional Institutions was ambivalent. Kosovo Albanian leaders were generally reluctant to condemn in a forthright manner the violence in general and later the violence against the Kosovo Serb community in particular. During the most violent days, most central level government officials, those of the main political parties and those in the municipalities appeared to fail to grasp the seriousness of the situation and initially attempted to connect it to their own political objectives, including renewed demands for the independence of Kosovo and the transfer of competences from UNMIK. Some officials in municipalities may have also actively encouraged the violence.

12. On 17 March, the Prime Minister, Bajram Rexhepi, acting in concert with my Special Representative, issued statements calling for an end to violence. At the same time, other members of the Provisional Institutions appeared to justify or even condone the violence, and blamed the violence on the continuing existence of parallel structures, roadblocks set up by Kosovo Serbs, the death of the Kosovo Albanian children, the division of Mitrovica, and UNMIK. For example, the Minister of Public Services and General Secretary of the Democratic Party of Kosovo (PDK) noted that the Kosovo Albanian public was not responsible for the violence and that responsibility for the events lay with Serbian politicians. The leader of PDK later publicly disavowed the Minister's comments. A statement made by the Government, although relatively conciliatory in tone, assumed on the basis of unsubstantiated information that the drowning incident was caused by Serbs and was a result of intimidation based on inter-ethnic hatred. While both President Rugova and the Head of the Kosovo Protection Corps made television addresses calling for calm, these and other initial statements referred to violence against representatives of the international community and avoided specifically referring to the Kosovo Serb community as the target of most of the violence. The Kosovo

Assembly issued an unhelpful statement which focused on parallel structures rather than on the evolving violence.

13. International condemnation of the violence had a sobering effect on the Kosovo Albanian leaders and the overall focus of their statements and actions subsequently changed from attempting to justify the violence to the violence itself. Condemnations by Kosovo Albanian politicians became harsher, although they still largely failed to expressly condemn the attacks on the Kosovo Serb community. My Special Representative, at a meeting on 18 March with local political and institutional leaders, emphasized that statements blaming the United Nations, KFOR or parallel structures for the violence needed to be stopped. Directly after this meeting, in an important show of political will and unity, the Prime Minister of Kosovo, accompanied by other ministers of the Provisional Institutions, convinced the Kosovo Albanian protestors who were gathered near the Kosovo Serb roadblock at the Kosovo Serb majority village of Caglavica to lift their siege of the village. After the violence subsided, the Prime Minister also visited the sites of destruction in Pristina and Vucitrn.

14. On 2 April, Kosovo Albanian officials within the Provisional Institutions and political leaders, as well as representatives of the Turkish, Bosniac, Egyptian, Ashkali and Roma communities, signed an open letter addressed to the population, condemning the violence and stating that politicians and the people of all ethnicities would work together to build a better Kosovo. The letter called for a memorandum of understanding for a partnership between Kosovo Albanians and Kosovo Serbs based on mutual respect and the marginalization of extremists on both sides and for a memorandum of understanding between the religious leaders and the population, according to which the religious leaders would preach tolerance and respect. The President of the Kosovo Assembly subsequently specifically condemned the violence against Kosovo Serbs in a speech to the Assembly.

15. The Government also committed itself to establishing a fund to repair all the damage done to buildings and religious sites, an initiative which was strongly encouraged by UNMIK. The Provisional Institutions established an "earnest fund" of €5 million that allowed work to begin immediately on the reconstruction of a damaged apartment building in Pristina, and the Ministry of Finance has identified €11.6 million in the 2004 budget that will be set aside for reconstruction at this stage, €2 million of which is an advance from the returns allocation in the budget. An inter-ministerial commission established by the Provisional Institutions has been charged with managing the reconstruction fund, and representatives of the Kosovo Serb and Ashkali communities are participating in the commission. Initial damage assessments have been prepared by the relevant municipalities and, while most did not have the endorsement of the minority community when first submitted, minority participation is required before the tendering process can begin. The Provisional Institutions may focus only on the reconstruction of housing and public buildings in the first phase, leaving aside the question of secondary buildings, such as garages, barns and businesses, for later, and are reluctant to consider compensation for household and personal items although some form of support for those seeking to re-establish their households will be needed.

16. UNMIK is working with the Provisional Institutions to provide technical assistance and support for the reconstruction effort. To this end, UNMIK has formed a reconstruction support team, including UNHCR, UNDP and the European Agency

for Reconstruction. With regard to the damage to and destruction of the religious and cultural sites of Kosovo, UNMIK is working on establishing assessment teams led by international heritage experts appointed by UNESCO and the Council of Europe, and comprising representatives from the Serbia and Montenegro/Republic of Serbia Coordination Centre for Kosovo and the Ministry of Culture, Youth and Sports of the Provisional Institutions. UNMIK is in the final stages of negotiation with UNESCO on the establishment of the assessment teams, which will make a swift evaluation of the extent of the damage and then present its assessment to the Provisional Institutions.

17. During and immediately after the violent events in mid-March, the authorities in Belgrade played a constructive role in collective efforts to stem the violence and prevent extremist reaction. Belgrade has publicly regretted that mosques were burned in Belgrade and Nis and has pledged to rebuild them. On 26 March, the Serbian Parliament issued a declaration in which, inter alia, it called for the Serb community in Kosovo to be granted political and territorial autonomy and for a reconsideration and change of policy in Kosovo, and urged the international community to punish the perpetrators and to effect rapid reconstruction of homes and religious sites. A similar declaration was adopted by the State Union of Serbia and Montenegro Assembly on 1 April. The Prime Minister of Serbia, Vojislav Kostunica, emphasized the need, under the present circumstances, for strong decentralization in Kosovo within the current borders and boundaries and additional institutional guarantees for Kosovo Serbs.

III. Political processes and implementation of standards

18. Following the launch on 10 December 2003 of the "Standards for Kosovo" document by my Special Representative and the Prime Minister of Kosovo, five joint UNMIK-Provisional Institutions working groups began work on the Kosovo Standards Implementation Plan. Kosovo Serb political leaders did not participate in the development of the implementation plan. On 3 March, they and representatives of the Government of Serbia formally rejected participation by Kosovo Serbs in the development of the implementation plan, alleging that it was a road map to independence for Kosovo.

19. My Special Representative and the Prime Minister launched the implementation plan on 31 March. Following the violent events in March, the implementation plan was revised to take into account those events and their aftermath by, inter alia, including six priority actions on returns to be carried out by the Provisional Institutions in the nearest future. They include the implementation of a comprehensive reconstruction programme with sufficient funding for reconstruction and loss of property; the implementation of initiatives to rebuild trust and confidence between communities; the sanctioning of civil servants and party leaders who did not respond appropriately during the violence; and public condemnation of hate speech. The sections of the plan dealing with freedom of movement and sustainable returns and the rights of communities and their members will be further revised in the light of the recent violence.

Direct dialogue between Belgrade and Pristina

20. Two of the four working groups on direct dialogue met early in March. The first meeting of the working group on energy, held in Pristina on 4 March under the chairmanship of the European Commission on behalf of my Special Representative, was conducted in a constructive atmosphere. The working group on missing persons, chaired by the International Committee of the Red Cross on behalf of my Special Representative, held a similarly constructive meeting in Pristina. Neither of the working groups has held their planned second meetings and significant delays in the dialogue are expected in the wake of the March events. The multi-ethnic composition of the Pristina delegations to the four working groups is in question, since Kosovo Serbs do not participate in the work of the Provisional Institutions at the political level at this time. While the Government of Serbia has stated that dialogue should resume, it also pointed to the need to restore confidence and to implement a political process to provide guarantees to the Kosovo Serb community. The Prime Minister of Kosovo has stated that recent events do not mean the end of direct dialogue with Belgrade, but that an "internal inter-ethnic dialogue" needs to be conducted before the dialogue is resumed.

Sustainable returns and rights of communities

21. Until the violent events of mid-March, a number of factors indicated limited but encouraging prospects for returns in 2004. Returns projects were ongoing in each area of Kosovo involving each ethnicity. Organized returns projects had also commenced in areas unforeseeable in 2002. The operational framework to support returns remained in place and was supported by the constructive engagement of the Kosovo authorities in a majority of municipalities. Municipal authorities in some areas participated in go-and-see visits and municipal working groups and task forces. In addition, increased possibilities to implement returns projects in urban areas through repossession of occupied property had been identified.

22. The violence in March has completely reversed the returns process. Minority areas were targeted, sending a message that minorities and returnees were not welcome in Kosovo. In less than 48 hours, 4,100 minority community members were newly displaced, more than the total of 3,664 that had returned throughout 2003. The majority of those who fled were in the Pristina and southern Mitrovica regions (42% and 40%, respectively), but displacement affected all regions of Kosovo. Of the displaced, 82 per cent are Kosovo Serbs and the remaining 18 per cent include Roma and Ashkali displaced. It is estimated that 350 Kosovo Albanians were displaced from the northern section of Mitrovica.

23. Some of the newly displaced have indicated their desire to return to their homes and a total of around 250 have done so. Others, however, remain shaken by this crisis and question the viability of a life in Kosovo, particularly their security. In many cases, there are also no places to return to, given the destruction of homes and the social and economic fabric and infrastructure of their communities, including churches, schools and health facilities. Concerns regarding the security environment and measures that can be put in place to enhance security are a key factor in their decision-making. For those who are interested in returning home, efforts are under way to assist them as a matter of priority.

24. Initially, UNMIK led the efforts to provide assistance to the newly displaced. It worked with UNHCR and international non-governmental organizations to assess

urgent humanitarian needs, and to provide assistance out of the existing stocks of UNHCR and non-governmental organization partners; humanitarian relief was also provided by the Serbian Red Cross. Some gaps in assistance, most significantly ready-to-eat food, were met through the commitment of forward funding from the Kosovo consolidated budget. In addition, KFOR contingents provided substantial assistance to the more than 1,000 persons who sought refuge in KFOR bases during the emergency phase.

25. As from 25 March, the United Nations Kosovo team assumed the lead for the next three months in managing and coordinating the humanitarian response to the current crisis through the United Nations Development Coordinator, with UNHCR assuming the lead on distribution of food, shelter and humanitarian assistance, UNICEF on education, and WHO on health issues. The humanitarian assistance programme will extend to the newly displaced and minority communities that now face additional needs given the changed security environment and lack of freedom of movement. To date, the humanitarian relief operation has been an internationally led effort. UNMIK and the United Nations Kosovo team will endeavour to bring the Provisional Institutions into the process in a more substantial way, the intention being that they should assume their responsibilities in this regard after an initial three-month period. The Kosovo Ministry of Health has already played an active role in meeting urgent humanitarian needs.

Freedom of movement

26. The violence has had an extremely negative impact on the freedom of movement of members of the minority communities of Kosovo, particularly Kosovo Serbs, who have been affected by the deterioration in the security environment. Their fears regarding the ability to travel safely have been heightened, and they are largely unwilling to rely on patrolling by the Kosovo Police Service. Many are now unwilling to travel without KFOR escorts. This has profoundly undermined the position of the minority communities, who are now more isolated than at any time in the past three years. Restrictions on movement also adversely affect their economic situation as they are unable to obtain supplies and travel on business. The movement of Roma and Ashkali community members has also become more restricted and has limited their income earning capacity through day labour. KFOR is temporarily providing fixed checkpoints for over 50 minority communities and at least 15 patrimonial sites throughout Kosovo. Static patrols have been reintroduced in many areas. The UNMIK humanitarian bus service has resumed only three of its regular routes, a fourth having been restarted and then cancelled again owing to the inability of KFOR to provide a regular security escort.

Functioning democratic institutions

27. The support of the Kosovo Albanian-dominated Provisional Institutions for the concept and practice of multi-ethnicity remained inconsistent. The Assembly condemned the violence at its plenary meetings on 18 and 25 March; much of the discussion on 18 March focused however on the Serbian parallel structures, criticism of UNMIK, calls for independence and the immediate transfer of competencies to local institutions. Statements made at the meeting held on 25 March strongly condemned the violent acts committed against Kosovo Serbs and other minority communities and supported the Government's initiative to fund the reconstruction of destroyed churches and houses. On a positive note, the Assembly

Presidency and a number of Assembly committees have begun visiting municipalities that were affected by the recent violence.

28. Prior to the recent violence, the Kosovo Assembly continued to show intolerance in its work. The President of the Assembly, in particular, has disregarded the Constitutional Framework and Assembly procedures. For example, at the plenary meeting on 22 January, the President attempted to force the Assembly to endorse as a member of the Presidency, a member of the Other Communities parliamentary group who did not have the support of that group. This action led to a continuing dispute with Assembly members. My Special Representative intervened and declared the vote void, and instructed the Assembly to endorse the candidate who had the support of the Other Communities group and make the appointment in a manner that complied with the Constitutional Framework and the Assembly's procedural rules. No candidate has yet been endorsed and the position continues to be filled by the previous member.

29. The Kosovo Assembly planned to adopt nearly 70 laws in 2004 and has already adopted a number of important laws that have entered into force, despite persistent shortcomings impeding the legislative process, the insufficiency of law-drafting resources within the Assembly, the dependency on outside experts and serious translation problems. A number of laws adopted by the Assembly cannot yet be promulgated for various reasons, however, and are pending, owing to the need to ensure their compliance with Security Council resolution 1244 (1999) and the Constitutional Framework. Further, owing to a continuing disregard for vital community interests on the part of the majority members of the Kosovo Assembly, the Kosovo Serb Coalition Return submitted motions challenging four laws, on road transport, health, anti-discrimination, and cooperation with the International Criminal Tribunal for the former Yugoslavia at The Hague. The latter is also outside the competence of the Assembly and the President of the Assembly has been advised accordingly. The Assembly Presidency has not yet finalized the process for designating representatives to serve on special panels that are to consider these challenges.

30. Despite its heavy workload and responsibilities, in February the Assembly began to hold plenary meetings on a monthly rather than weekly basis. The new schedule has been criticized and has created a perception among the population that the Assembly is not working seriously. This perception was reinforced when a number of plenary meetings were postponed as a result of delays in the renovation of the plenary hall and disagreement among the main Kosovo Albanian parties regarding seating arrangements. The official opening of the refurbished Assembly Hall led to a dispute with the Coalition Return because of the presence of Kosovo Albanian mono-ethnic murals in the Assembly building. Coalition Return members, who so far had participated in the work of the Assembly, began to boycott first the plenary meeting and subsequently the committees in protest against the refusal of the Assembly Presidency to remove or cover the murals. The murals were eventually covered following the violence in March. Coalition Return has not yet returned to the Assembly, because of the recent violence.

Municipalities

31. Prior to the events in March, there had been modest progress in the functioning of most municipalities. Interaction between Kosovo Serb and Kosovo Albanian

municipal officials had become more frequent. While the use of all official languages was still far from satisfactory, there was a clear understanding that official documents and statements had to be issued in both Albanian and Serbian. This understanding has generally not been translated into concrete and sustained action, however. The functioning of mandatory committees improved slightly during the reporting period, but they were not fully functioning in nine municipalities and, in seven, meetings were rarely held. Mediation committees were active in only five municipalities. Minorities continued to have little impact on the decision-making process and municipalities frequently made decisions which had an adverse impact on minority communities.

32. Overall, the municipalities — with very few exceptions — failed to respond adequately to the crisis and did not take timely measures to contain or prevent the violence. At the peak of the crisis, the reaction of the municipal authorities was generally passive or tardy. In most cases, the municipal authorities did not take measures to prevent the violence from spreading. Most municipalities condemned the violence through public statements or declarations of the Municipal Assembly; but anti-Serb proclamations were also made and there was reluctance to take constructive action or to reach out to the Kosovo Serb community. While Municipal Assemblies, Boards of Directors, or other municipal senior staff may have held emergency meetings, they often resulted in weak municipal declarations or were limited to discussions. Constructive action to address the violence was rare at those meetings. However, there were exceptions. The Municipal Presidents in Istok (Pec region) and Kamenica (Gnjilane region) took action on 17 March to disperse protesting crowds in the town. In Decani (Pec region), the Municipal President personally intervened to stop crowds from marching on the Serbian Orthodox monastery.

33. At the same time, the actions of a number of municipal officials provoked greater instability. Political party leaders in Urosevac (Gnjilane region) initially made an inflammatory statement, though the Municipal Assembly later issued a statement condemning the violence. Following the arson attacks on 19 homes in the Kosovo Serb return site of Belo Polje in Pec and the subsequent displacement of 24 people, the Pec Municipal President, who had repeatedly rebuffed requests to visit the site to welcome returnees, visited the village on 19 March 2004 after all its homes were destroyed to lay a wreath at the site where a Kosovo Albanian had been shot dead by an UNMIK police officer during the evacuation of Kosovo Serbs who were under attack. The Malisevo Municipal Assembly adopted an inflammatory declaration in support of those perpetrating the violence, condemning Serbian "criminals" and accusing UNMIK of killing protestors.

34. Most municipalities continued to send negative signals after the violence subsided. In Pristina and Malisevo Albanian flags were put up on the municipal building in a sign of defiance and intolerance while in Pec an Albanian flag was placed across from the municipal building. In Kamenica the municipality and its President called for Kosovo Serbs to be removed from the payroll because of their absence from work. Only in five municipalities — Pristina, Obilic and Lipljan, Prizren and Vitina — did the policy and finance committees meet and allocate funds to the internally displaced.

35. Since the end of the violence, some municipalities have pledged some form of monetary or reconstruction assistance to the newly displaced, including Gnjilane,

Vitina, Pristina, and Obilic, Kosovo Polje, and Lipljan. The President of the Gnjilane Municipal Assembly visited Kosovo Serbs displaced by the violent events and Roma communities to restore calm and explain measures to be taken. The President and Chief Executive Officer of the Vitina Assembly met Kosovo Serb leaders and urged municipal employees to return to work. The Vucitrn Municipal Assembly held an extraordinary session to condemn the violence and the Chief Executive Officer and other municipal directors of Prizren municipality visited the Kosovo Serbs displaced at a KFOR camp to apologize for the attacks against them.

36. Before the violence, many municipalities had attempted to disband, reorganize or redistribute the funding of the municipal community offices, which function to safeguard the interests of minority communities locally. In addition, fair share financing targets to ensure adequate minimum provision of fiscal resources to minorities have routinely not been met by the majority of municipalities, which may lead UNMIK to reclaim responsibility for certifying and approving budget expenses in the 27 mixed municipalities. Only 7 of the 27 mixed municipalities — Zvecan, Novo Brdo, Klina, Pristina, Leposavic, Orahovac, Podujevo and Kamenica — achieved the minimum levels in all three budget lines (municipal core budget, education, and health) as compared with eight in the previous quarter. Four municipalities did not meet the minimum requirements in any of the three budget lines while nine met them in just one budget line. If the municipalities do not become compliant, UNMIK, in coordination with the Ministry of Finance and Economy, may impose sanctions.

37. Inter-ethnic relations at the local level have been severely damaged as a result of the violence. In addition, Kosovo Serbs who have cooperated with UNMIK and the Provisional Institutions are, more than ever before, seen as traitors to their community by hardliners. Kosovo Serbs are also demanding a review of the future role of the municipal community offices, their structures and staffing, as well as their location and links with the municipalities. It appears that the Serbia and Montenegro/Republic of Serbia Coordination Centre for Kosovo and most Kosovo Serbs would prefer those offices to be as autonomous and separate as possible from the main municipal (Kosovo Albanian majority) administration. Within some mixed municipalities, there is an emerging trend for Kosovo Serb municipal employees to look for relocation to separate premises, while in others minorities have not resumed their duties for security reasons.

Media

38. The temporary Media Commissioner is investigating the role of the media during the violent events and whether local broadcasters breached the Code of Conduct for Broadcast Media by broadcasting material that encouraged crime or criminal activities, constituted hate speech, or carried imminent risk of causing harm. A preliminary review indicates cases of inflammatory and biased reporting, especially during the first two days of violence. Electronic media were prone to inaccurate, inflammatory, biased and sensationalist journalism, especially with respect to the first reports of the drowning of the Kosovo Albanian boys. That coverage in turn influenced the first reporting by newspapers as well as the first statements by some public officials and political parties. Beginning late on 17 March, improvements towards a more balanced and professional reporting were noticed. Newspapers aligned with Kosovo political parties, however, followed a well-established pattern of seizing on news events to propagate anti-Serb views. The

Kosovo independent print media reported more responsibly on the events. Many Kosovo Serb electronic media outlets halted their normal programming — partially for fear of becoming a target of violence — and rebroadcast news transmissions originating from Belgrade media outlets, which were often inaccurate, inflammatory and provocative. Both Kosovo Albanian and Kosovo Serb media predominantly reflected the view of their own communities, and there was virtually no cooperation across the ethnic divide between journalists working for local media.

39. Overall, the response of civil society revealed irresponsible behaviour, ethnic bias and internal incoherence. Kosovo Albanian civil society generally failed to take an independent and responsible stand against the wave of ethnic violence. At the local level, almost none of the Kosovo Albanian non-governmental organizations took meaningful action in a timely manner to prevent violence. Although many non-governmental organizations and civil society organizations issued strong statements condemning the violence, they were often biased and mono-ethnic in nature. Few representatives from the various "multi-ethnic networks" attempted to contact Kosovo Serb partners during the violence. Those Kosovo Albanian networks which offered support to their Kosovo Serbian non-governmental organization counterparts at personal or institutional levels did not have broad outreach or impact on containing the eruption of violence. Others made provocative statements, denouncing the governing bodies in Kosovo. Most worrying, however, were indications that members of civil society groups took an active and sometimes leading role in the violence. On 22 March, the head of a local non-governmental organization in Mitrovica was briefly detained by KFOR for his alleged role in the violence. Moreover, there were reports of cases in which members of the Kosovo Liberation Army veteran groups participated in violent events. One organizer of those groups has been arrested in connection with the violence. In the weeks following the violence, the Association of War Veterans threatened to hold more demonstrations in protest against UNMIK.

Rule of law

40. Following the violence, UNMIK police put in place temporary measures and maintained the normal regime of core police functions to ensure capacity to counter any further outbreaks of disorder. UNMIK police have shifted resources in order to establish the full facts of what occurred during the violence; prioritize investigation of the incidents; identify those responsible for organizing or instigating the violence; and arrest and prosecute those responsible. To this end, a Task Force and Incident Room have been set up at the UNMIK police headquarters level, supported by task forces in all the five regions. The Criminal Division of the Department of Justice is closely liaising with UNMIK police in order to target activities and provide a complete picture of the impact of the violence on the whole of the justice system, including additional demands on resources and staffing, increased concerns with respect to the security of minority judges and prosecutors, increased difficulty in hiring minority judges and prosecutors, and additional pressure on the impartiality of the staff and judiciary. Substantial additional investigative capacity for the international police will be required if UNMIK is to pursue these investigations impartially, vigorously and effectively. Consequently, UNMIK has made a request for 100 additional international specialist police investigators and 6 additional international prosecutors.

41. Although it is too early to make a comprehensive assessment of the performance of the Kosovo Police Service during the violence, it is clear that many KPS officers performed professionally in difficult conditions without proper anti-riot equipment, and protected people and property with their international colleagues. In many instances, as the police forces were spread too thin and the violence was developing across large parts of Kosovo, KPS officers were not in sufficient strength to withstand the challenge and could not prevent, or act against, violence. At the same time, there are reports that some may have taken no action to prevent the violence or, worse still, may have participated in it. All these reports will be thoroughly investigated and necessary measures taken against any officers who did not behave according to professional standards.

42. Despite the intense pressure on resources created by recent events, UNMIK police have continued to prioritize the fight against organized crime and the Department of Justice focused on cases relating to, inter alia, organized crime, corruption, terrorism and trafficking. On 29 March, following an 18-month investigation period, the Kosovo Organized Crime Bureau conducted a major operation spanning several European countries against an organized crime group. The operation led to the arrest of five persons who were at the top level of the organized crime network, the seizure of 1.5 kilograms of a substance believed to be heroin, firearms, vehicles, cash and computer equipment. All the persons appeared before an investigative judge and were ordered detained. During the quarter, among the cases handled by international prosecutors there were six verdicts, five involving convictions and one acquittal. International judges initiated eight new judicial investigations and three new trials, while five ongoing trials were concluded during the reporting period.

Kosovo Protection Corps

43. Although it is too early to obtain an accurate and complete overview of the performance of KPC members during the recent violence, it appears that the Kosovo Protection Corps as an organization performed professionally, although the possibility remains that some members may have active links with extremist organizations whose history has its roots in the Kosovo Liberation Army. During the violence, KPC provided medical assistance and search and rescue teams for victims of the violence. At the request of KFOR as an emergency measure, KPC took part in guarding minority infrastructure in some places, such as Serbian churches.

44. During the reporting period, the Kosovo Protection Corps moved forward in meeting standards in areas such as downsizing, logistics and humanitarian construction projects. In line with the KPC mandate, personnel strength stands at 3,052. Recruiting and retaining ethnic minority members, especially Kosovo Serbs, remains a major challenge. At present the Corps comprises 132 minority members including only 32 Kosovo Serbs, well short of the 500 places identified for minority members. As part of the Humanitarian Trust Fund Project, administered by the International Organization for Migration, KPC has been involved in a number of projects including building fire stations, refurbishing water supply lines, and repairing bridges in minority areas.

45. The possible involvement of some KPC members in criminal activity continued to affect the organization's image. Twelve KPC members were suspended late in 2003 by my Special Representative and four members were detained by

KFOR in February because of suspected criminal links or engagement in criminal activity. There have been instances where political statements were made and objectivity was not observed, including the participation of KPC members at a KLA memorial parade in which, contrary to the image they are required to uphold as a civilian organization, they adopted a military style.

Economy

46. The recent violent events are damaging for the economy in terms of weakened investor interest and confidence. Renewed efforts will be required to improve the image of Kosovo. Combined with the high level of unemployment and in spite of continuing growth projected at around 4 per cent in 2004, the short- and medium-term economic outlook remains a major concern. External trade data for 2003 released during the reporting period continued to show an unsustainably large trade imbalance. The level of Kosovo products sold externally, however, was 26 per cent higher in 2003 than in 2002; the products were sold mostly within the region and to European Union countries.

47. The privatization process continued, despite differences concerning the validity of transformations and mergers of socially owned enterprises and publicly owned enterprises that arose in the period from 1989 to 1999. Boycotts or non-attendance of meetings of the Board of the Kosovo Trust Agency (KTA) led to the inability of the Board to take decisions. Local board members also opposed adjustments to the operational policies of KTA to counter possible collusion and the involvement of organized crime in the privatization process. In addition, the local media continued a campaign condemning the proposed changes to the operational policies and the delay in launching further waves of tenders, and comments in the media became increasingly personalized and provocative.

48. In order to move the process forward, on 16 March the head of the KTA Board, under the direction of my Special Representative, ratified sales contracts for the enterprises sold in December 2003, bringing the total number of enterprises privatized to 16. Another 19 enterprises have been proposed for the third wave of tenders, pending approval of the revised operational policies by the KTA Board. Progress has been made in determining the status of socially owned enterprises so as to ascertain ownership rights on the basis of which the enterprises can be privatized. The inability of the KTA Board to take decisions has, however, hampered the incorporation of publicly owned enterprises and the implementation of audit recommendations for these enterprises.

49. Focus was directed to the key priorities outlined in the "Standards for Kosovo" document, including the establishment of a legal framework for a sustainable, competitive market economy, the development of a non-discriminatory economic policy, and the strengthening of local institutions. The Regulation on Public Procurement was promulgated in February, and will play a role in strengthening the competitiveness of domestic enterprises. A new European Union-compliant Customs Code entered into force on 1 March. As at 14 March, revenue collected by UNMIK Customs was 11 per cent higher than for the same period in 2003, reaching a total of €72.8 million. However, there is some concern that the expectation of Customs collections of €430 million in 2004 may not be met, owing to a slowing of commercial traffic from Serbia proper, although traffic levels via Montenegro and the former Yugoslav Republic of Macedonia were higher. Following the hiring of

additional Kosovo Serb and Bosniac Customs officers, the Customs Service now has a total of 20 per cent minority staff.

50. Owing to a lack of preparation by the Ministry and Finance and Economy, several critical budgetary discussions and processes were delayed. For example, discussions on the allocation of the 2003 budget surplus have been restricted solely to the urgent funding needs of Pristina Airport, Trepca and the Kosovo Protection Corps, leaving more than €45 million out of a total of €75 million to be allocated. In addition, the re-appropriation of unspent, but committed, 2003 funds remains outstanding. UNMIK has also been hampered in monitoring the public financial management of the Provisional Institutions as monthly fiscal reports for 2004 have not yet been provided. In addition, the 2004 mid-year review process and the 2005-2007 budget development process have not been launched. The Ministry and Finance and Economy has yet to facilitate the allocation of funds from the Kosovo consolidated budget for the recovery and reconstruction efforts following the wave of violence in mid-March.

51. Following an 18-month transition period, on 1 April, the Pristina Airport was handed over from military (KFOR) to civilian (UNMIK) control. To this end, an agreement in principle was finalized between UNMIK and the Government of Iceland, providing the basis for the provision of certain civil aviation services by Iceland in cooperation with the International Civil Aviation Organization. These measures ensure that Pristina Airport is operated as a civilian airport in conformity with applicable international standards and recommended practices.

IV. Observations

52. The ethnically motivated violence was a serious setback for the efforts to build a democratic, multi-ethnic and stable Kosovo. What occurred was a targeted effort to drive out Kosovo Serbs, as well as members of the Roma and Ashkali communities, and to destroy the social fabric of their existence in Kosovo. The destruction of Serbian Orthodox cultural and heritage sites was particularly deplorable and must be condemned. It demonstrated that there continues to be a lack of commitment among large segments of the Kosovo Albanian population to creating a truly multi-ethnic society in Kosovo, and that some are determined to prevent it. The retaliatory burning of mosques in Belgrade and other parts of Serbia should also be condemned.

53. Such violence is unacceptable and must not be repeated. All habitual residents of Kosovo have a right to live in Kosovo in security and dignity. Further, the deliberate attacks against UNMIK and KFOR are unacceptable and should be condemned in the strongest possible terms.

54. The process of normalization and reconciliation has been seriously damaged, calling into question the timetable for a successful implementation of the standards that the international community set for Kosovo and threatening to destabilize the region.

55. The security situation in Kosovo, though steadily improving since mid-March, remains a cause for serious concern and the security needs of the Kosovo Serb and other minority communities must be addressed. The humanitarian consequences of the crisis also need to be addressed in the shortest possible time, and the

reconstruction of and compensation for destroyed and damaged property must proceed quickly and effectively. The commitment by the Provisional Institutions of the necessary funds and logistic support for the reconstruction effort, including for the rebuilding of destroyed and damaged religious buildings and monuments, homes, and institutions such as schools and health facilities, as well as compensation for damaged or lost property, must be translated into practical results without delay.

56. The events have shown that the international community's determination to ensure that Kosovo progresses on the path of coexistence and reconciliation among communities is, on its own, not sufficient. What is required now is concrete action by the leaders and people of Kosovo to implement measures that ensure that this violence will not be repeated. Indeed, beyond the immediate measures that are being taken to address the consequences of the violent events as well as corrective measures, there needs to be a collective effort to address the causes of the violence.

57. Initiatives such as the open letter addressed by many of Kosovo's leaders to the people of Kosovo are to be welcomed. Now, the Provisional Institutions must as a priority take concrete steps to implement initiatives and rebuild confidence among members of the minority communities. Kosovo Albanian leaders, as representatives of the largest community in Kosovo, have a clear obligation to protect and promote the rights of all communities, particularly the minorities. In order to do so, everyone must engage in a systematic effort to foster reconciliation and build tolerance. An early resumption of the direct dialogue between Belgrade and Pristina would contribute to rebuilding mutual trust and providing further tangible improvements in the daily lives of Kosovo's residents.

58. Forward momentum must be regained and extremism must not be accommodated. There can be no peaceful and prosperous future for Kosovo without respect for the diversity of its people — violence will not be rewarded. Politicians must be held accountable and those civil servants who may have participated in the violence, or who may have played a role in fomenting or not stopping the violence, must be disciplined. I call on Kosovo political leaders to take effective steps to ensure that those who perpetrated the violence are brought to justice, and to sanction civil servants and politicians who failed to act responsibly during the crisis.

59. Positive actions were taken and statements made during and immediately after the violence and I commend the leaders in Pristina and Belgrade who took such constructive positions.

60. In implementing resolution 1244 (1999), UNMIK continues to operate within the framework provided by the "standards before status" policy, which provides a road map for the interim period. The violence has clearly demonstrated that Kosovo has a long way to go in fulfilling the standards endorsed by the Security Council on 12 December 2003. In the wake of the violence, there is more than ever a need for the leadership and society of Kosovo to achieve the standards as a basis for a stable and well-governed entity. Kosovo's political entities and the representatives of its communities need to work constructively and collectively towards the achievement of those standards and I urge all communities to join this process. The implementation plan will need to be recalibrated and prioritized by giving additional emphasis to security and matters relating to the rule of law, minority rights and protection, return, and the devolution of functions from the central level to local bodies, as well as economic development. The Provisional Institutions alone are

responsible for making progress towards achieving the standards in the areas under their responsibility and where they have legal competence. The Provisional Institutions should focus on doing so in order to better manage the period from now until mid-2005 when a comprehensive review may be conducted, on the basis of which the Security Council will determine whether consideration of the future status of Kosovo should be initiated.

61. The leaders of Kosovo must demonstrate a clear commitment to implementing the standards and respecting the authority and responsibilities reserved to my Special Representative in accordance with resolution 1244 (1999) and the Constitutional Framework. I have instructed UNMIK to fully exercise its responsibilities and authority over all areas and at all levels. A full review of the policies and practices of all actors will be undertaken as part of assessing the implications of the recent violence. The continued support and commitment of the Security Council will be indispensable for the joint efforts of the international community in Kosovo to succeed. The Council should ensure, in particular, that UNMIK has the necessary resources to vigorously pursue investigations and the prosecution of those responsible for the violence.

62. In conclusion, I would like to express my appreciation to my Special Representative, Harri Holkeri, for his leadership in this difficult period. I would particularly like to express my appreciation to the men and women of UNMIK for their commitment and professionalism in carrying out their duties, particularly in the face of violence and extremism. Their courage and dedication to the United Nations is highly commendable. Finally, my gratitude goes to our partners within UNMIK — the European Union and the Organization for Security and Cooperation in Europe. I would like to thank KFOR in particular and express my gratitude for the swift deployment by NATO of additional peacekeeping troops. Finally I extend my appreciation to other organizations, agencies, contributors and donors for their valued political and material support in implementing Security Council resolution 1244 (1999).

Annex I

Composition and strength of the UNMIK police as at 31 March 2004

Country	*Number*	*Country*	*Number*
Argentina	107	Malawi	17
Austria	39	Malaysia	40
Bangladesh	73	Mauritius	5
Belgium	0	Nepal	31
Brazil	3	Nigeria	37
Bulgaria	69	Norway	17
Cameroon	20	Pakistan	153
Canada	10	Philippines	54
Czech Republic	13	Poland	121
Denmark	22	Portugal	10
Egypt	48	Romania	167
Fiji	23	Russian Federation	109
Finland	5	Senegal	14
France	72	Slovenia	13
Germany	277	Spain	12
Ghana	55	Sweden	27
Greece	19	Switzerland	8
Hungary	5	Tunisia	0
India	332	Turkey	153
Italy	51	United Kingdom	112
Jordan	266	United States of America	368
Kenya	37	Ukraine	147
Kyrgyzstan	4	Zambia	27
Lithuania	8	Zimbabwe	54
Total			**3 248**

Composition of the Kosovo Police Service as at 31 March 2004

Category	*Percentage*	*Number*
Kosovo Albanians	84.6	4 823
Kosovo Serbs	9.3	529
Other ethnic minority members	6.2	352
Total		**5 704**
Men	85.2	4 860
Women	14.8	844

Annex II

Composition and strength of the military liaison component of the United Nations Interim Administration Mission in Kosovo as at 31 March 2004

Nationality	*Number of liaison officers*
Argentina	1
Bangladesh	1
Belgium	1
Bolivia	1
Bulgaria	1
Chile	1
Czech Republic	1
Denmark	1
Finland	2
Hungary	1
Ireland	3
Italy	1
Jordan	1
Kenya	1
Malawi	1
Malaysia	1
Nepal	2
New Zealand	1
Norway	2
Pakistan	1
Poland	1
Romania	1
Russian Federation	2
Spain	2
Switzerland	1
Ukraine	2
United Kingdom	1
United States of America	2
Zambia	1
Total	**38**

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Department of Peacekeeping Operations
Cartographic Section